

The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

January 05, 2005

Mr. Peter Cook
Chief Executive Officer
Concord Litho Group
92 Old Turnpike Road
Concord, New Hampshire 03301

CERTIFIED MAIL (7099 3400 0018 1290 3015)
RETURN RECEIPT REQUESTED

LETTER OF DEFICIENCY
No. ARD 2005-001

Dear Mr. Cook:

On April 2, 2004, the New Hampshire Department of Environmental Services, Air Resources Division ("DES") conducted a compliance inspection of Concord Litho Group ("Concord Litho") located in Concord, NH. The purpose of the inspection was to determine Concord Litho's compliance status with Title V Operating Permit No. TV-OP-29 ("the Title V Permit"), in effect August 23, 2000 through August 23, 2005, the Temporary Permit No. FP-T-0082 ("the Temporary Permit"), in effect January 31, 2002 through July 31, 2003, and Env-A 100 *et seq.*, NH Rules Governing the Control of Air Pollution.

This Letter of Deficiency ("LOD") is being sent to formally notify you of the deficiencies identified as a result of the inspection and subsequent file review and the necessary action to resolve them. The deficiencies are as follows:

1. The Temporary Permit was issued to Concord Litho on January 31, 2002 which authorized the installation of 2 new lithographic presses and required the shutdown of 6 other presses included in the Title V Permit. In addition, the Temporary Permit states that upon its issuance the individual VOC emission limits for each press and the facility-wide VOC limit stipulated in the Title V Permit are no longer in effect. The Temporary Permit replaces those limits with a lower facility-wide VOC emission limit which Concord Litho accepted in order to avoid New Source Review. The Temporary Permit expired on July 31, 2003.

Env-A 607.08 provides that the expiration of a temporary permit terminates the owner or operator's right to construct or operate the new or modified device unless the owner or operator has applied for the reissuance of said permit at least 90 days prior to expiration, or has timely applied for an operating permit or amendment thereto. An application for reissuance of the Temporary Permit was not filed by April 30, 2003, and to date, Concord Litho has not applied for an amendment of the Title V Permit. Accordingly, Concord Litho is currently operating the devices included in the Temporary Permit without a permit, in violation of Env-607.01.

2. Env-A 3103.08(b)(2), Env-A 3104.08, and Env-A 3104.09, respectively, require Concord Litho to submit to DES the following reports:
 - a) An annual Notice and Certification of Generation of discrete emissions reductions ("DER") credits;
 - b) A Notice of Intent to Use DERs, to be submitted at least 30 days before the intended use period begins; and
 - c) A Notice and Certification of Use of DERs within 90 days after the end of the use period or one year after the beginning of the use period, whichever is sooner.

By letter dated September 25, 2003, DES notified Concord Litho that a Full Compliance Evaluation of all reports submitted by the company revealed that the notices identified above had not been submitted, and DES requested that these notices be submitted within 30 days. At the time of the April 2, 2004 inspection, these notices had not been submitted to DES as required, and they were requested again at the closing meeting with Mr. Jay Brenner and Mr. Howard Plante. Since then, Joe Fontaine of DES has called Mr. Plante and again requested these notices. To date, the notices still have not been submitted.

3. Env-A 907.01 requires a source to annually report its actual emissions each year by April 15 of the following year. The report of Concord Litho's 2002 actual emissions, due on April 15, 2003, was not submitted to DES until April 15, 2004.
4. Env-A 704.01* requires a source to pay to DES each year an emission-based fee. In accordance with Env-A 704.04*, Concord Litho is required to have submitted the fees for calendar year 2002 emissions by October 15, 2003. The emission-based fees were not submitted to DES until April 19, 2004.
5. Condition XXVIII of the Title V Permit requires Concord Litho to report to DES all instances of permit deviations within 24 hours of discovery. From January through June of 2004, Concord Litho experienced 14 permit deviations that went unreported until August 13, 2004. These deviations resulted in a total of 747.61 pounds of excess VOC emissions.

Of the above-referenced deficiencies, items #1 and #2 are still unresolved. DES believes that these deficiencies can be resolved by Concord Litho taking the following actions:

- A. Within 30 days of receipt of this LOD, submit either an application for reissuance of the Temporary Permit or an application for amendment of the Title V Permit; and
- B. Within 30 days of receipt of this LOD, submit the notices specified in paragraph 2 above, for calendar years 2002 and 2003.

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- Env-A 700 was amended on June 26, 2004, and parts of it were renumbered as well. The sections referred to here are those that were in existence on April 2, 2004.

Should you need assistance in preparing the permit application, please contact Michele Andy, Title V Program Manager, at (603) 271-6793. Should you need assistance in completing the DER notices, please do not hesitate to contact Joe Fontaine, Trading Programs Manager, at (603) 271-6794.

In the event that Concord Litho fails to resolve the deficiencies above and within the time periods indicated, DES may initiate further action against Concord Litho, including issuing an order requiring the deficiencies to be corrected, and/or referring this matter to the NH Department of Justice.

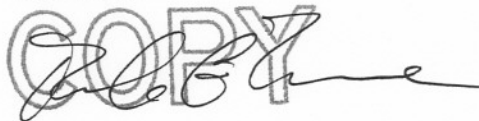
Please address all information to Mary Ruel, at the following address:

NHDES Air Resources Division
Compliance Bureau
29 Hazen Drive
P.O. Box 95
Concord, NH 03302-0095

Please be advised that DES will continue to monitor Concord Litho compliance status and that this letter does not provide relief against any other existing or future deficiencies. It is important that Concord Litho be aware of all the requirements in its Permit.

Please feel free to contact DES should you have any questions regarding compliance with Env-A 100 *et seq.*, NH Rules Governing the Control of Air Pollution, and the requirements of your current permit. A current copy of the rules can be obtained from the DES website at www.des.state.nh.us/Rules/air.htm, or by contacting the DES Public Information Center at (603) 271-2975. If you have any questions regarding this matter, please contact Mary Ruel at (603) 271-6795.

Sincerely,



Pamela G. Monroe
Compliance Bureau Administrator
Air Resources Division

cc: R. Kurowski, EPA Region 1
G. Hamel, DES Legal Unit
Public Information Officer, DES PIP Office
D. Ballantyne, City Manager, City of Concord
AFS #3301300062

